

Internal Revenue Service  
District Director

G.P.O. BOX 1680  
BROOKLYN, NY 11202

Department of the Treasury

Date: FEB 14 1990

PLANNED PARENTHOOD ACTION FUND  
INC  
810 SEVENTH AVENUE  
NEW YORK, NY 10019

Employer Identification Number:  
13-3539048  
Contact Person:  
JOSEPH WOLF  
Contact Telephone Number:  
(718) 780-4048

Internal Revenue Code  
Section 501(c)(04)  
Accounting Period Ending:  
December 31  
Form 990 Required:  
Yes  
Addendum Applies:  
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in the section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay \$100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other Federal taxes, please address them to this office.

If your sources of support, or your purposes, character, or method of operation changes, please let us know so we can consider the effect of the change on your exempt status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day

Letter 948(DO/CG)

PLANNED PARENTHOOD ACTION FUND

is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 513 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T: Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Donors may not deduct contributions to you because you are not an organization described in section 170(c) of the Code. Under section 6113, any fundraising solicitation you make must include an express statement (in a conspicuous and easily recognizable format) that contributions or gifts to you are not deductible as charitable contributions for Federal income tax purposes. This provision does not apply, however, if your annual gross receipts are normally \$100,000 or less, or if your solicitations are made to no more than ten persons during a calendar year. The law provides penalties for failure to comply with this requirement, unless failure is due to reasonable cause.


If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

  
Eugene D. Alexander  
District Director



Department of the Treasury

Internal Revenue Service  
District Director

G.P.O. BOX 1680  
BROOKLYN, NY 11202

Date: **FEB 14 1990**

PLANNED PARENTHOOD ACTION FUND  
INC  
C/O WALTER E. SLOCOMBE  
C/O CAPLIN & DRYSDALE CHARTERED  
ONE THOMAS CIRCLE NW  
WASHINGTON, DC 20005

Employer Identification Number:

13-3539048

Contact Person:

JOSEPH WOLF

Contact Telephone Number:

(718) 780-4048

Internal Revenue Code

Section 501(c)(04)

Accounting Period Ending:

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Form 990 Required:

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PLANNED PARENTHOOD ACTION FUND

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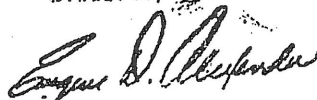
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Sincerely yours,



Eugene D. Alexander  
District Director



Form **2848**  
(Rev. February 1988)

Department of the Treasury  
Internal Revenue Service

## Power of Attorney and Declaration of Representative

See separate instructions.

OMB No. 1545-0150  
Expires: 12-31-90

### Part I Power of Attorney

		For IRS Use Only		
Taxpayer(s) name(s) <b>Planned Parenthood Action Fund, Inc.</b>	Taxpayer identification number <b>13-353-7048</b>	File No.		
	Application <b>pending</b>	Level		
	Plan number (if applicable)	Receipt		
	Telephone number <b>212/603-4709</b>	Powers		
		Blind T.		
Address (number and street) <b>810 Seventh Avenue</b>		Action		
City, state, and ZIP code <b>New York, NY 10019</b>		Ret. Ind.		

hereby appoint(s) the following individual(s)\*

Name	CAF Number	Address	Telephone Number
<b>Walter B. Slocombe</b>		<b>Caplin &amp; Drysdale, Chartered</b>	<b>202/862-5071</b>
<b>Milton Cerny</b>		<b>One Thomas Circle, NW</b>	<b>202/862-5075</b>
		<b>Washington, DC 20005</b>	

as attorney(s)-in-fact to represent the taxpayer(s) before any office of the Internal Revenue Service for the following tax matter(s) (specify the type(s) of tax and year(s) or period(s) (date of death if estate tax)):

Type of tax (individual, corporate, etc.)	Federal tax form number (1040, 1120, etc.)	Year(s) or period(s) (Date of death if estate tax)
<b>Corporate</b>	<b>1024</b>	<b>Exempt status under section 501(c)(4) of the Code for 1989 and subsequent years.</b>

The attorney(s)-in-fact (or either of them) are authorized, subject to revocation, to receive confidential information and to perform any and all acts that the principal(s) can perform with respect to the above specified tax matters (excluding the power to receive refund checks and the power to sign the return, unless specifically granted below). See Regulations section 1.6012-1(a)(5) for information on returns made by agents. (List excludable powers below. Indicate if you are granting the power to sign the return.)

- ☒ Send originals of all notices and all other written communications in proceedings involving the above tax matters to the appointee first named above, and a duplicate copy of all notices and all other written communications to the taxpayer named above, or
- ☐ Send copies of all notices and all other written communications addressed to the taxpayer(s) in proceedings involving the above tax matters to:

- ☐ the appointee first named above, or
- ☐ (names of not more than two of the appointees named above)

Initial here: \_\_\_\_\_ if you are granting the power to receive, but not to endorse or cash, refund checks for the above tax matters to:

- ☐ the appointee first named above, or
- ☐ (name of one of the above designated appointees)

This power of attorney revokes all earlier powers of attorney and tax information authorizations on file with the Internal Revenue Service for the same tax matters and years or periods covered by this power of attorney, except the following:

(Specify to whom granted, date, and address including ZIP code, or refer to attached copies of earlier powers and authorizations.)

Signature of or for taxpayer(s)

(If signed by a corporate officer, partner, or fiduciary on behalf of the taxpayer, I certify that I have the authority to execute this power of attorney on behalf of the taxpayer.)

*Jayne Wattleton*  
(Signature)

President

(Title, if applicable)

12/15/89  
(Date)

(Also type or print your name below if signing for a taxpayer who is not an individual.)

(Signature)

(Title, if applicable)

(Date)

\* You may authorize an organization, firm, or partnership to receive confidential information, but your representative must be an individual who must complete Part II.  
For Privacy Act and Paperwork Reduction Act Notices, see page 1 of the separate instructions.

Form **2848** (Rev. 2-88)

12 29 89  
Application for Recognition of Exemption  
Under Section 501(a)  
or for Determination Under Section 120

030645  
OMB No. 1545-0057  
Expires: 3-31-89

Every organization must furnish the information specified. If any organization does not submit the information and financial data required, this application will not be considered on its merits, the organization will be notified accordingly, and the application may be returned. If you need more space for any item, you may attach additional statements. Show your name and employer identification number on all attachments.

Except as shown below, applicants must complete Parts I through IV. In addition, an organization must complete the schedule indicated below that relates to the code section under which it is applying. If a part or a line item does not apply, enter "N/A."

Central organizations applying for a group exemption letter—See Rev. Proc. 80-27, 1980-1 C.B. 677, or later revisions; or get Publication 557, Tax-Exempt Status for Your Organization, available free at most Internal Revenue Service offices.

This application, if approved, will be open to public inspection. (See General Instructions.)

You must have an organizing instrument. If you do not have an organizing instrument, do not file this application.

Check the appropriate box below to indicate the section under which you are applying.

- ☐ Section 501(c)(2)—Title holding corporations (Schedule A, page 6)
- ☒ Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, pages 6 and 7)
- ☐ Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 7)
- ☐ Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 7)
- ☐ Section 501(c)(7)—Social clubs (Schedule D, pages 7 and 8)
- ☐ Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident or other benefits to members (Schedule E, page 8)
- ☐ Section 501(c)(9)—Voluntary employees' beneficiary associations (Schedule F, page 9)
- ☐ Section 501(c)(10)—Domestic fraternal societies, orders, etc. not providing life, sick, accident or other benefits (Schedule E, page 8)
- ☐ Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, pages 9 and 10)
- ☐ Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 10)
- ☐ Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (No Schedule required)
- ☐ Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Schedule I, page 11)
- ☐ Section 501(c)(19)—A post, organization, auxiliary unit, etc. of past or present members of the Armed Forces of the United States (Schedule J, page 12)
- ☐ Section 501(c)(20)—Trust/organization for pre-paid group legal services (Parts I, II, and Schedule M, page 13)
- ☐ Section 120—Qualified group legal services plans (Parts I, II, and Schedule L, page 13)

Part I.—Identification (See instructions)

1a Full name of organization

Planned Parenthood Action Fund, Inc.

2a Address (number and street)

810 Seventh Avenue

2b City or town, county, state, and ZIP code

New York, NY 10019

4 Month the annual accounting period ends

December

3 Name and telephone number (including area code) of person to be contacted during business hours if more information is needed

Eve Paul 212/603-4709

5 Date incorporated or formed

August 25, 1989

6 Activity codes (see back cover)

542 543 480

1b Employer identification number (if none, see Specific Instructions)

Application pending  
13-353-9048

7 Has the organization filed Federal income tax returns or exempt organization information returns?

If "Yes," state the form number(s), years filed, and Internal Revenue office where filed

☐ Yes ☒ No

Part II.—Type of Entity and Organizational Documents (See instructions)

Check the applicable entity box and attach a conformed copy of the organization's organizing document and bylaws.

- ☒ Corporation—Articles of incorporation and bylaws. ☐ Trust—Trust indenture. ☐ Other—Constitution or articles of association and bylaws.

Under the penalties of perjury, I declare that I am authorized to sign this application on behalf of the above organization and I have examined this application, including the accompanying statements, and to the best of my knowledge and belief it is true, correct and complete. (See General Instructions.)

Jay Shattleton  
(Signature)

President  
(Title or authority of signer)

12/15/89  
(Date)



The **person(s)** signing as or for the taxpayer(s): (Check and complete one.)

☐ is/are known to and signed in the presence of the two disinterested witnesses whose signatures appear here:

(Signature of Witness)

(Date)

(Signature of Witness)

-thāte

☐ appeared this day before a notary public and acknowledged this power of attorney as a voluntary act and deed.

**Witness:**

(Signature of Notary)

(Date)

NOTARIAL SEAL  
(if required by state law)

## Part II Declaration of Representative

a a member in good standing of the bar of the highest court of the jurisdiction shown below;  
b duly qualified to practice as a certified public accountant in the jurisdiction shown below;  
c enrolled as an agent under the requirements of Treasury Department Circular No. 230;  
d a bona fide officer of the taxpayer organization;  
e a full-time employee of the taxpayer;  
f a member of the taxpayer's immediate family (spouse, parent, child, brother or sister);  
g a fiduciary for the taxpayer;  
h an enrolled actuary (the authority of an enrolled actuary to practice before the Service is  
i Treasury Department Circular No. 230);  
l Commissioner's special authorization (see instructions for Part II, item i) -----

and that I am authorized to represent the taxpayer identified in Part I for the tax matters specified there.

[illegible]

**Part III.—Activities and Operational Information**

- 1** If you are the outgrowth or continuation of any form of predecessor(s), state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.

Not applicable.

- 2** If you are now, or plan to be connected in any way with any other organization, describe the organization and explain the relationship.
- Planned Parenthood Federation of America, Inc. (PPFA), a 501(c)(3) corporation.  
PPFA Board of Directors constitute membership of new organization.

- 3** Give a detailed narrative description of the organization's past, present, and proposed future activities, and the purposes for which it was formed. The narrative should identify the specific benefits, services, or products the organization has provided or will provide. If the organization is not fully operational, explain what stage of development its activities have reached, what further steps remain for it to become fully operational, and when such further steps will take place. (Do not state the purposes and activities of the organization in general terms or repeat the language of the organizational documents.) If you are engaged in any business or fund raising activity, describe in detail the nature and the scope of the activity. Attach copies of any agreements with other parties related to conducting the business or fund raising activity. State how each business activity engaged in contributed importantly to your exempt purposes.

See Exhibit 1.

- 4** List the organization's present and future sources of financial support, beginning with your largest source first.

Direct mail, individual donors. See Exhibit 1 for further details.

*not attached yet*



Exhibit 1 to Form 1023, Part III  
to Form 1024, Application For  
Recognition of Exemption, Part III,  
Planned Parenthood Action Fund ("PPAF")

STATEMENT IN SUPPORT OF  
APPLICATION FOR TAX-EXEMPT STATUS

The following background information describes the Planned Parenthood Action Fund's ("PPAF" or the "Fund") structure, purposes, activities and finances. Also discussed are the applicable legal authorities which support a favorable action on this request for recognition of exempt status under section 501(c)(4) of the Internal Revenue Code.

I. GENERAL STATEMENT

A. Introduction

The Fund is established to function as an organization affiliated with the Planned Parenthood Federation of America ("PPFA"). As of the date of this application, the Fund has been principally engaged in organizational matters. This has included the incorporation of the Fund as a New York State not-for-profit membership corporation, the selection of a Board of Directors, formulating and adopting bylaws, and making plans for its future operations and initial fundraising.

PPFA is recognized for federal income tax purposes as a public charity under sections 501(c)(3) and 509(a)(1).<sup>1</sup> PPAF, as it becomes fully active, will carry on public policy and advocacy work consistent with the goals of PPFA. The purpose of organizing PPAF is to have a means by which to conduct such activities, using strictly nondeductible funds, on a scale that may be beyond the limits applicable to PPFA under the provisions of sections 501(c)(3), 501(h), and 4911, and to conduct activities which may be prohibited to PPFA under those provisions.

B. Purposes

PPAF's corporate purposes as stated in its Articles of Incorporation are "exclusively for the promotion of social welfare purposes within the meaning of section 501(c)(4) \*\*\* and to encourage and protect informed individual choice regarding reproductive health care and to advocate public policies which guarantee the right, as well as full nondiscriminatory access to such care, and to foster and preserve a social and political climate favorable to the exercise of reproductive choice."

PPAF will solicit support in the form of nondeductible contributions from its members and from the general public. All appeals for funds will contain the following statement or its substantial equivalent, "contributions to PPAF will not be tax deductible." See attached copy of a solicitation letter in Exhibit 2.

<sup>1</sup> All statutory references are to the Internal Revenue Code of 1986, as amended. References to the regulations are to the applicable Treasury Department Regulations under the Code.



C. Proposed Activities

PPAF will engage in a range of activities in the area of family planning and reproductive rights. It will seek, in all legally permissible ways, to protect and expand individual rights to reproductive choice and access to family planning for all men and women, and to safe, legal abortions for women who choose that course in the event of an unwanted pregnancy.

The bulk of its work will be lobbying and related activities aimed at influencing public opinion and policy. In addition to "direct" lobbying, i.e., contacts with legislators and their staffs, it will conduct grass roots campaigns on legislative issues using such methods as media advertising and direct mail. It will work on legislative issues at federal, state, and local levels, including state initiatives. It will conduct polling and provide technical assistance to local Planned Parenthood affiliates and to state Planned Parenthood public affairs offices to assist their own lobbying and public policy work.

As a secondary activity, PPAF will engage in electoral activity including voter education on reproductive rights issues, conduct and distribution of candidate questionnaires, evaluation of candidates' positions on issues of concern to it, and voter polls, canvassing, and identification. It will, within the limits permitted under federal and state election laws, make political expenditures in such forms as advertisements, brochures, etc., targeted voter registration, voter identification, and get-out-the-vote projects and public endorsements of candidates. All its

electoral activity will be conducted in accordance with applicable federal and state election regulations.

Electoral activity will not be the principal activity of the Fund, whose principal activity will be lobbying and other nonelectoral public affairs programs.

D. Fundraising and Assets

PPAF expects to receive support from nondeductible contributions by its membership and various individuals. As discussed in detail below, it will establish accounting procedures that will insure that no funds for which a charitable contribution deduction was claimed are used for any electoral activity prohibited to 501(c)(3) organizations, or for any lobbying activity as defined in section 4911 unless they are counted as lobbying expenditures by PPFA or other 501(c)(3) grantor organizations.

II. DISCUSSION OF RELEVANT LEGAL PRECEDENT

1. The objectives and intended activities of the Fund qualify it for exemption as a social welfare organization described in section 501(c)(4). Section 501(c)(4) provides for the exemption of civic leagues or organizations not organized for-profit, but operated exclusively for the promotion of social welfare. Section 1.501(c)(4)-1(a)(2) of the Treasury Regulations states that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people in the community. The IRS has consistently recognized, under section

501(c)(4) and the applicable regulations, the exempt status of organizations formed to carry out their exempt purposes through the development and implementation of programs designed to have an impact on community, state or national policy-making including legislation.

Section 1.501(c)(4)-1(a)(2)(ii) of the Treasury Regulations expressly states that a group may qualify as a social welfare organization even though it is an action organization engaged in attempts to influence legislation. The Service has also concluded that a 501(c)(4) organization may engage in direct election campaign activity so long as its primary activity is the promotion of social welfare. See Rev. Rul. 81-95, 1981-1 C.B. 332. For a further discussion of Rev. Rul. 81-95 see page 7.

The greatest part of PPAF's activity will be legislative in character. A section 501(c)(4) organization may engage in legislative activities germane to its social welfare purposes, even to the extent of such work being its sole activity. See Rev. Rul. 71-530, 1971-2 C.B. 237.<sup>2</sup>

For example, the IRS has ruled that an organization substantially engaged in promoting legislation for humane protection of animals was exempt under 501(c)(4). Rev. Rul. 67-293, 1967-2 C.B. 185. In Rev. Rul. 68-656, 1968-2 C.B. 216, the IRS recognized the exempt status of an organization formed to educate the public

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<sup>2</sup> For a general discussion of these principles, see IRS Exempt Organizations Continuing Professional Education Instruction Program for 1981 at pages 95-100.



regarding an activity that was not lawful at the time the organization was created.<sup>3</sup> There the organization actively sought changes in the law specifically to legalize the activity. To achieve its objectives, the organization circulated speeches, reprints, and pamphlets concerning the issue and actively lobbied for legislation to legalize the activity. The IRS' conclusion regarding the organization's entitlement to exemption is very apt to our situation. The IRS stated that:

"\* \* \*to inform the public by educational methods on a subject of public interest and concern may be exempt under section 501(c)(4) of the Code even though the subject evokes controversy and even though the organization advocates a particular viewpoint and seeks changes in the law to reflect such viewpoint. The education of the public on such a subject is deemed beneficial to the community because society benefits from an informed citizenry. The seeking of legislation germane to the organization's programs is recognized by the regulations as a permissible means of attaining social welfare purposes."

This view was subsequently affirmed in Rev. Rul. 76-81, 1976-1 C.B. 156, when the IRS granted tax-exempt status under section 501(c)(4) to an organization formed to educate the public on the subject of abortions, promotion of the rights of the unborn and supporting legislative and constitutional changes to restrict women's access to abortions. Again, the IRS' analysis supports PPAF's right to exemption under section 501(c)(4). The IRS said:

"The question of whether abortion laws should be restrictive or liberal is a matter of public concern in many communities. There are differences of opinion on this issue. Although the organization advocates the adoption of a particular position, its activities are nevertheless designed to increase the knowledge and understanding of the public on the

<sup>3</sup> It is our understanding that the underlying ruling related to attempts to legalize the practice of euthanasia.

entire subject. Thus, the organization is promoting in some way the common good and general welfare of the people of the community within the meaning of the regulations."

This language is directly applicable to PPAF, whose purpose is to expand, rather than restrict, rights in this area.

The IRS has held that direct approaches to Congress, without any attempt to educate the public on the issue may qualify as social welfare within the meaning of section 501(c)(4) even where that activity was the sole activity of the organization. See Rev. Rul. 71-350, 1971-2 C.B. 237, where the organization assisted attorneys, accountants and others in preparing public testimony at legislative and administrative hearings in the area of taxation. The Service concluded:

"Through presentations by qualified witnesses on pending or proposed tax legislation, the organization is promoting the common good and general welfare of the community by assisting legislators and administrators concerned with tax policy. Such activity helps the legislators and administrators form better judgment about the legislation."

Although legislative activities will be PPAF's primary focus, it reserves the right to engage, as a secondary activity, in direct election related activity within the limits of applicable federal and state election campaign laws. This aspect of PPAF's planned operations is also fully consistent with its section 501(c)(4) status.

The IRS has also held that a social welfare organization may participate in lawful political campaign activities involving the nomination or election of public officials without adversely affecting its exempt status under section 501(c)(4). Rev. Rul. 81-95, supra. The IRS specifically concluded that:



"Although the promotion of social welfare within the meaning of section 1.501(c)(4) of the regulations does not include political campaign activities, the regulations do not impose a complete ban on such activities for section 501(c)(4) organizations. Thus, an organization may carry on lawful political activities and remain exempt under section 501(c)(4) as long as it is primarily engaged in activities that promote social welfare." (Emphasis added.)

The above precedents clearly establish that PPAF is entitled to recognition of exemption under section 501(c)(4) of the Code. As in the case of the organization described in Rev. Rul. 68-656 and Rev. Rul. 76-81, PPAF's activities clearly will increase the knowledge of the general public on a matter of great public concern, affecting the rights of women to control their reproductive functions and the rights of both men and women to choose when and whether to have children. Moreover, similar to Rev. Rul. 71-530, PPAF's presentations to legislative and administrative bodies to secure the right of women and men to make these personal decisions will clearly help such legislators and administrators to make better judgments on legislative and social public policy issues that will come before them.

Similarly, PPAF's participation in electoral activities will meet the requirements of the Code and regulations, since PPAF's primary activities will be to promote social welfare. The right of a section 501(c)(4) organization to engage in electoral activities consistent with applicable federal or state election campaign laws is recognized by Congress in related legislation under section 527 and confirmed by IRS's own interpretation of section 501(c)(4) in Rev. Rul. 81-95. Accordingly, since PPAF will only

engage in electoral activities to the "non-primary" extent permitted to section 501(c)(4) organizations and subject to applicable federal and state election campaign laws,<sup>4</sup> and to any restrictions imposed by section 527 on its expenditures for any activities that come within the meaning of "political activities" as defined in section 527(e)(2), its possible election campaign activities are fully consistent with its section 501(c)(4) status.

2. A charitable organization can create and conduct a social welfare affiliate. The Fund will be affiliated with PPFA, an organization exempt under section 501(c)(3). PPAF will share the general goals of PPFA and will conduct advocacy activities that are permitted to an organization described under section 501(c)(4).

PPFA's Board of Directors will constitute the membership of PPAF. The PPAF Board of Directors will consist of the five corporate officers of PPFA and one representative each for the PPFA

<sup>4</sup> The electoral activity of an affiliated 501(c)(4), as a corporate entity, is, in general, subject to the ban of the Federal Election Campaign Act ("FECA"), 2 U.S.C. § 441b, on corporate expenditures in connection with federal election campaigns. The impact of this FECA ban on a noncommercial membership organization has been limited by the Supreme Court's decision in Federal Election Commission v. Massachusetts Committee for Life, 106 S.Ct. 1591 (1986) ("MCL"). PPAF believes that it comes within the class of organizations whose rights to make independent election expenditures are recognized in that case. PPAF's intervention in state, as distinct from federal, elections, would be subject to the various state laws limiting campaign contributions and expenditures.

National Executive Directors Council and the Affiliate Presidents Council.<sup>5</sup>

PPAF is a legally separate entity whose finances will be strictly separate from those of PPFA. All expenditures of PPAF will be from nondeductible funds. Contributions to PPAF will be clearly identified as nondeductible in all solicitation material. PPFA will not bear any expenses of the operation of PPAF.<sup>6</sup> Moreover, adequate accounting and other administrative procedures will be established to insure the financial separation of the organizations in their operations.

PPAF will reimburse PPFA for its allocable share of office space and similar overhead costs. PPAF will have a limited number of employees of its own, who will work full time for it. On other projects, PPAF will use PPFA employees, who will record their time spent on PPAF projects. PPAF will reimburse PPFA for the costs (including pension and other benefit costs) attributable to work of PPFA employees on PPAF projects. See Exhibit 4.

<sup>5</sup> In the future, the bylaws of PPAF may be amended so that other directors of PPAF may represent, and be chosen by, groups other than the membership.

<sup>6</sup> It is intended that no PPFA funds be used for the PPAF activities. However, PPAF reserves the right to receive funds from PPFA (or another section 501(c)(3) group) earmarked to activities that could properly be conducted by the section 501(c)(3) organization, such as lobbying activities within the limits set by sections 501(h) and 4911.



The Supreme Court has held that it is a constitutionally required condition for the limits on a section 501(c)(3) organization's free speech activity to be consistent with the First Amendment, that the section 501(c)(3) organization have the option to engage in unlimited free speech activity through a separately incorporated section 501(c)(4) affiliate, financed with nondeductible funds, but controlled by the section 501(c)(3) organization. FCC v. League of Women Voters, 468 U.S. 364, 399-400 (1984); Regan v. Taxation With Representation, 461 U.S. 540, 545, 552 (1983). In the Taxation With Representation case, the core of the Court's analysis was that the restrictions on the deduction for contributions limiting a 501(c)(3)'s lobbying activity is a subsidy -- which Congress can deny without constitutional violation -- but only if the organization remains free to make nonsubsidized lobbying expenditures on the same basis as groups that do not receive a subsidy.

This Supreme Court holding was fully consistent with established IRS policy. See Rev. Rul. 67-72, 1967-1 C.B. 125, and Rev. Rul. 77-272, 1972-2 C.B. 191. Prior to these Supreme Court holdings, the IRS had long interpreted the tax law to permit a section 501(c)(3) organization to establish and have substantial control over a section 501(c)(4) affiliate.<sup>7</sup> Since the holdings, the IRS

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<sup>7</sup> The Supreme Court expressly referred to that IRS practice in an opinion. Regarding the argument that the IRS might impose "stringent requirements . . . unrelated to the Congressional purpose of ensuring that no tax-deductible contributions are used to pay for substantial lobbying," the Court said, "The IRS apparently requires only that the two groups be separately incorporated and

(cont.)

has routinely granted exemptions under section 501(c)(4) to entities set up and controlled by existing section 501(c)(3) groups to use nondeductible funds to carry on activities that would threaten the exemption of the section 501(c)(3) parent if conducted within its own corporate structure.

PPAF recognizes that while, as an affiliated 501(c)(4) organization, it does not have to be independent of its sponsoring organization, it must be a genuinely separate corporate entity. It fully meets that standard. It will act in its own name; its expenditures will be separate from those of its sponsor, PPFA. PPFA as such will not play any role in the day-to-day conduct of the affiliate's activities, as distinct from exercising the ultimate policy control inherent in its Board's power, as the membership of PPAF, over the selection and tenure of the affiliate's Board. In short, PPAF, as a section 501(c)(4) organization, though ultimately controlled by another organization (PPFA), will retain its distinct identity.<sup>8</sup> To this end, PPAF will keep its financial records separate and apart from the 501(c)(3) organization and proper procedures will be established to allocate to PPAF

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keep records adequately to show that tax-deductible contributions are not used to pay for lobbying. This is not unduly burdensome." Regan v. Taxation With Representation, 461 U.S., at 545 n.6.

<sup>8</sup> Recognition of separately established, but commonly controlled, corporate entities as separate for tax purposes is, of course, a basic tax principle, not limited to the "C3/C4" context. See Moline Properties, Inc. v. Commissioner, 319 U.S. 436, 438 (1943) and Britt v. United States, 431 F.2d 227, 234 (5th Cir. 1970).

its share of common expenses and use of PPFA resources, such as PPFA employees working on PPAF projects.

Under its practices, spelled out in GCM 39326 (August 1984) and in the IRS Technical Instruction Program, IRS Exempt Organizations Continuing Professional Instruction Program for 1986, Tr. Man. 4277-20 (1-86), page 34, the IRS has clearly recognized that the sponsoring organization's power to determine the controlled organization's actions through control of its Board does not negate the controlled organization's separate existence for tax law purposes. In the context of affiliated 501(c)(3) and 501(c)(4) organizations, such as PPFA and PPAF, this administrative practice conforms to the constitutional requirements laid down in Regan v. Taxation With Representation and Federal Election Commission v. Massachusetts Committee for Life.

#### CONCLUSION

The Planned Parenthood Action Fund clearly qualifies for exemption under section 501(c)(4) because it operates for social welfare purposes described in the Code and the Treasury Regulations.



**Part III.—Activities and Operational Information (Continued)**

5 List the names, titles and addresses of the officers, directors and trustees of your organization for the current year.

Kenneth C. Edelin, M.D., Chairperson  
810 Seventh Avenue  
New York, NY 10019

Jacqueline Jackson, Ph.D. 1st Vice Chairperson  
810 Seventh Avenue  
New York, NY 10019

Philip Darney, M.D., 2nd Vice Chairperson  
810 Seventh Avenue  
New York, NY 10019

Frank C. Gibson, Treasurer  
810 Seventh Avenue  
New York, NY 10019

Janet Mortenson, Secretary  
810 Seventh Avenue  
New York, NY 10019

6 If you have capital stock issued and outstanding, state (1) class or classes of the stock, (2) number and par value of the shares, (3) consideration for which they were issued, and (4) whether any dividends have been paid or whether your creating instrument authorizes dividend payments on any class of capital stock.

Not applicable.

7 State the qualifications necessary for membership in the organization, the classes of membership (with the number of members in each class) and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Posts or organizations applying under section 501(c)(19) and completing Schedule J, item 1d, enter "N/A" here. Attach sample copies of all types of membership certificates issued.

The membership consists of all members of the Board of Directors of the  
Planned Parenthood Federation of America, Inc.

8 Explain how your assets will be distributed on dissolution. (If State statutes, court decisions, organizing instruments, etc., determine the manner of distribution, state this and identify the statute, court decision, etc.) Posts or organizations applying under section 501(c)(19) and completing Schedule J, item 3b, enter "N/A" here.

On dissolution, assets will vest in the Planned Parenthood Federation of  
America, Inc.

9 Have you made or do you plan to make any distribution of your property or surplus funds to shareholders or members? ☐ Yes ☒ No

If "Yes," state the full details, including (1) amounts or value, (2) source of funds or property distributed or to be distributed, and (3) basis of and authority for distribution or planned distribution.

**Part III.—Activities and Operational Information (Continued)**

- 10 Does, or will, any part of your receipts represent payments for services performed or to be performed? ☐ Yes ☒ No  
If "Yes," state in detail the amount received and the character of the services performed or to be performed.

- 11 Have you made, or do you plan to make, any payments to members or shareholders for services performed or to be performed? ☐ Yes ☒ No  
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be made.

- 12 State the purpose(s), other than payment for services performed or supplies furnished, for which your funds are, or will be spent.  
See Exhibit 1.

- 13 Does, or will, any part of your net income inure to the benefit of any private shareholder or individual? ☐ Yes ☒ No  
If "Yes," explain in detail.

- 14 Do you have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions or annuities)? ☐ Yes ☒ No  
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

- 15 Are you under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? ☐ Yes ☒ No  
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision as well as copies of applications or requests for the opinions or decisions.

- 16 Are you now or do you plan to be the lessee of any property, or the lessor of property in which you own an interest? ☐ Yes ☒ No  
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between your organization and the other party. Also, attach a copy of any rental or lease agreement.

- 17 Have you spent or do you plan to spend any money attempting to influence the selection, nomination, election or appointment of any person to any Federal, State, or local public office or to an office in a political organization? ☐ Yes ☒ No  
If "Yes," explain in detail and list the amounts spent or to be spent in each case.

See Exhibit 1.

Planned Parenthood Action Fund, Inc.

Proposed Budgets  
1990-1991

(\$000 omitted)	Calendar Year	
	<u>1990</u>	<u>1991</u>
Funding carried from prior year	\$ 245	\$ 325
Contributions received	<u>1,803</u>	<u>1,929</u>
Total available	\$2,048	\$2,254
Expenses		
Program	1,149	1,240
Fundraising	345	369
Administrative	<u>229</u>	<u>247</u>
Total expenses	1,723	1,856
Net carryover to next year	\$ 325	398

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\* Anticipated contributions for the year ending December 31, 1989.



Form **8718**  
(Rev. January 1989)  
Department of the Treasury  
Internal Revenue Service

## User Fee for Exempt Organization Determination Letter Request

▶ Attach to determination letter applications.

For IRS Use Only

Control number \_\_\_\_\_  
Amount paid \_\_\_\_\_  
User fee screener \_\_\_\_\_

1 Name of organization

Planned Parenthood Action Fund, Inc.

2 Type of request (check only one box and include a check or money order made payable to Internal Revenue Service for the amount of the indicated fee):

- a ☐ Initial request for recognition of tax-exempt status under section 501(a) (except a section 401(a) trust) by an organization whose gross receipts have not exceeded (or are not expected to exceed) \$10,000 annually, averaged over its first four taxable years. If you check this box you must complete the income certification below . . . . . \$ 150

### Certification

I hereby certify that the gross receipts of \_\_\_\_\_ (enter name of organization) have not exceeded (or are not expected to exceed) \$10,000 annually, averaged over its first four years of operation.

Signature ▶ \_\_\_\_\_ Title \_\_\_\_\_

- b ☒ All other initial requests for recognition of tax-exempt status under section 501(a) or 521 (except a section 401(a) trust) . . . . . \$ 300
- c ☐ Private foundation which has completed a section 507 termination and which seeks a determination letter that it is now a public charity. . . . . \$ 200

### Instructions

The Revenue Act of 1987 requires payment of a user fee for determination letter requests submitted to the Internal Revenue Service. The fee must accompany each request submitted to a key district office.

The fee for each type of request for an exempt organization determination letter is listed in item 2 of this form. Check the block that describes the type of request you are submitting, and attach this form to the front of your request form along with a check or money order for the amount indicated. Make the check or money order payable to the Internal Revenue Service.

Determination letter requests received with no payment or with an insufficient payment will be returned to the applicant for submission of the proper fee. To avoid delays in receiving a determination letter,

be sure that your application is sent to the applicable address shown below. These addresses supersede the addresses listed in Publication 557 and all application forms.

If entity is in  
this IRS District

Send fee and request  
for determination  
letter to this address

Brooklyn, Albany,  
Augusta, Boston, Buffalo,  
Burlington, Hartford,  
Manhattan, Portsmouth,  
Providence

Internal Revenue Service  
EP/EO Division  
P. O. Box 1680, GPO  
Brooklyn, NY 11202

Baltimore, District of  
Columbia, Pittsburgh,  
Richmond, Newark,  
Philadelphia,  
Wilmington, any U.S.  
possession or foreign  
country

Internal Revenue Service  
EP/EO Division  
P. O. Box 17010  
Baltimore, MD 21203

Cincinnati, Cleveland,  
Detroit, Indianapolis,  
Louisville, Parkersburg

Internal Revenue Service  
EP/EO Division  
P. O. Box 3159  
Cincinnati, OH 45201

Dallas, Albuquerque,  
Austin, Cheyenne,  
Denver, Houston,  
Oklahoma City, Phoenix,  
Salt Lake City, Wichita

Internal Revenue Service  
EP/EO Division  
Mail Code 4950 DAL  
1100 Commerce Street  
Dallas, TX 75242

Atlanta, Birmingham,  
Columbia, Ft.  
Lauderdale, Greensboro,  
Jackson, Jacksonville,  
Little Rock, Nashville,  
New Orleans

Internal Revenue Service  
EP/EO Division  
C-1130  
Atlanta, GA 30301

Anchorage, Las Vegas,  
Boise, Los Angeles,  
Honolulu, Portland,  
Laguna Niguel, San  
Jose, Seattle

Internal Revenue Service  
EO Application Receiving  
Room 5127, P. O. Box 486  
Los Angeles, CA 90053-0486

Sacramento,  
San Francisco

Internal Revenue Service  
EO Application Receiving  
Stop SF 4446  
P. O. Box 36001  
San Francisco, CA 94102

Chicago, Aberdeen, Des  
Moines, Fargo, Helena,  
Milwaukee, Omaha,  
St. Louis, St. Paul,  
Springfield

Internal Revenue Service  
EP/EO Division  
230 S. Dearborn DPN 20-5  
Chicago, IL 60604

Attach Check or Money Order Here

CERTIFICATE OF INCORPORATION

of

PLANNED PARENTHOOD ACTION FUND, INC.

under section 402 of the  
Not-for-Profit Corporation Law

IT IS HEREBY CERTIFIED THAT:

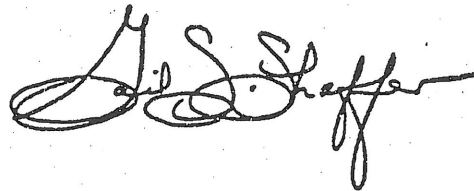
- (1) The name of the Corporation is Planned Parenthood Action Fund,  
Inc.

State of New York }  
Department of State } ss:

059800

I hereby certify that I have compared the annexed copy with the original document filed by the Department of State and that the same is  
a correct transcript of said original.

Witness my hand and seal of the Department of State on



Secretary of State

CERTIFICATE OF INCORPORATION

of

PLANNED PARENTHOOD ACTION FUND, INC.

under section 402 of the  
Not-for-Profit Corporation Law

IT IS HEREBY CERTIFIED THAT:

- C048797
- (1) The name of the Corporation is Planned Parenthood Action Fund, Inc.
  - (2) The Corporation is a corporation as defined in subparagraph (a) (5) of section 102 of the Not-for-Profit Corporation Law.
  - (3) The purposes for which the Corporation is formed shall be exclusively for the promotion of social welfare within the meaning of section 501(c)(4) of the Internal Revenue Code of 1954 as amended, and shall be to encourage and protect informed individual choice regarding reproductive health care and to advocate public policies which guarantee the right, as well as full and nondiscriminatory access, to such care, and to foster and preserve a social and political climate favorable to the exercise of reproductive choice.



- (4) In furtherance of its corporate purposes above set forth, the Corporation shall have all the powers enumerated in section 202 of the Not-for-Profit Corporation Law, subject to any limitations provided in the Not-for-Profit Corporation Law or any other statute of the State of New York. In addition and not by way of limitation of its statutory powers, the corporation shall have the power to solicit, raise, accept, hold and administer funds exclusively for its objects and purposes, and to that end to take and receive, by purchase, grant, gift, bequest, or devise, or as beneficiary of any trust, any property, real or personal, tangible or intangible, wheresoever located; to make donations in furtherance of such purposes; to invest and reinvest the funds and other property of the Corporation, including the power to invest and reinvest such funds and property in furtherance of such purposes, without regard to whether such investments would be considered as desirable or prudent by an investor interested solely in profit and not interested in promoting such purposes; and to collect and receive the income, if any, from any investment or reinvestment of such funds or property, and to apply the income and, if the Corporation so decides, the principal of such property as the Corporation may from time to time possess, to the purposes of the Corporation.

Nothing herein contained shall authorize the Corporation,

directly or indirectly, to engage in or include among its purposes any of the activities mentioned in section 404(b) through (u) of the Not-for-Profit Corporation Law or section 460-a of the Social Services Law of the State of New York.

- (5) The Corporation is not organized and will not be operated for profit, and no part of its net earnings shall inure to the benefit of any director, officer, employee or member of the Corporation, provided, however, that this shall not prevent the payment to any such person of reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes.
- (6) The Corporation shall be a Type A Corporation pursuant to section 201 of the Not-for-Profit Corporation Law. The initial directors of the Corporation shall be Kenneth Edelin, Jacqueline Jackson, and Philip Darney. The address of each of these directors is 810 Seventh Avenue, New York, New York 10019.
- (7) The office of the Corporation is to be located in the County of New York, State of New York.

(8) The secretary of state is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the secretary of state shall mail a copy of any process against the Corporation served upon him is 810 Seventh Avenue, New York, New York 10019.

IN WITNESS WHEREOF, the undersigned incorporator, being at least eighteen years of age, affirms that the statements made herein are true under the penalties of perjury.

Dated: August 21, 1989.

Eve W. Paul

Name of Incorporator

Eve W. Paul

Signature

500 East 77th Street, New York, NY 10162

Address



FILED C048797

10 43 11 '83

NOTICE OF ENTRY

I, the undersigned, do hereby certify that the within is a (certified) true and correct copy of the original as the same was filed in the office of the clerk of the court on this 10th day of August, 1983.

Yours, etc.,

Attorney for  
Office and Post Office Address

To

Attorney(s) for

NOTICE OF RETIREMENT

I, the undersigned, do hereby certify that the within is a true copy of the original as the same was presented for retirement to the Hon.

one of the judges of the within named Court, at

on the day of

at

M.

Dated,

Yours, etc.,

Attorney for  
Office and Post Office Address

To

Attorney(s) for

PLANNED PARENTHOODS, INC.  
ACTION FUND, INC.

Certificate of Incorporation  
under Section 402 of the  
Not-for-Profit Corporation Law

Eve M. Paul, Esq.  
Barbara E. Otten, Esq.

Attorney for

Office and Post Office Address, Telephone  
810 Seventh Avenue  
7th floor  
New York, NY 10019  
(212) 541-7800

To

Attorney(s) for

Service of a copy of this within

is hereby witnessed.

Dated,

Attorney(s) for

63534

STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED AUG 25 1983

AMT. OF CITIES \$ 5.00

FILED FEE \$ 5.00

TRV \$ 10.00

COUNTY FEE \$ 10.00

COM \$ 10.00

RENU TO \$ 10.00

SPED HANDLE \$ 10.00

*[Handwritten signature]*

BYLAWS



I certify that the foregoing Bylaws of the Planned  
Parenthood Action Fund, Inc. were approved by the Board of  
Directors on December 2, 1989, and are currently in effect.

Assistant Eve W. Paul  
Secretary

12/14/89  
Date



BYLAWS  
of the  
PLANNED PARENTHOOD ACTION FUND, INC.  
ADOPTED BY THE PPAF MEMBERSHIP AT ITS MEETING  
ON DECEMBER 2, 1989

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ARTICLE I

NAME

The name of this corporation shall be the Planned Parenthood Action Fund, Inc., hereinafter called "PPAF" or "the corporation."

## ARTICLE II

### PURPOSE

PPAF is formed exclusively for the promotion of social welfare within the meaning of § 501(c)(4) of the Internal Revenue Code of 1954 as amended, and its purposes shall be:

- o to encourage and protect informed individual choice regarding reproductive health care;
- o to advocate public policies which guarantee the right to choice and full and nondiscriminatory access to reproductive health care; and
- o to foster and preserve a social and political climate favorable to the exercise of reproductive choice.



### ARTICLE III

#### MEMBERSHIP

The membership shall consist of all members of the board of directors of the Planned Parenthood Federation of America, Inc. (PPFA), including all ex-officio members but excluding any honorary members of the PPFA board.

ARTICLE IV  
MEETINGS OF THE MEMBERSHIP

Section 1. Annual and Special Meetings.

a. Annual Meeting. There shall be an annual meeting of the membership as designated by the board each year in the notice of the meeting.

All business which comes properly before this meeting shall be transacted, including:

- o the election of directors designated by the Chairperson of PPAF in accordance with Article V, Section 1, to succeed those whose terms have expired and to fill any vacancies;
- o review or amendment of the PPAF bylaws; and
- o any special business of which due notice has been given by the Secretary in the notice of the meeting.

b. Special Meetings. A special meeting may be called at any time by the board of directors, the Chairperson of PPAF, or on the written consent of those members entitled to cast ten percent (10%) of the total number of votes entitled to be cast at a membership meeting.

Section 2. Voting.

Each member of PPAF shall have one (1) vote at all meetings of the membership and may vote only in person.

Section 3. Quorum.

A quorum at all meetings of the membership shall consist of a majority of the members.

Section 4. Notices.

a. Annual Meeting. Notice of the place, date, and hour of the annual meeting with materials on all matters requiring a vote shall be given by the Secretary, by first-class mail, at least ten (10) days and not more than fifty (50) days before such meeting to each member at his/her last known address.

b. Special Meetings. Notice of the place, date, and hour of all special meetings shall be given by the Secretary, by mail, at least two weeks in advance, to each member at his/her last known address, except that if the meeting is called by written demand of ten percent (10%) of the members entitled to vote, such demand shall be served on the Secretary and shall specify the date of the meeting, which shall be not less than two nor more than three months from the date of the written demand. Upon receipt of the written demand, the Secretary shall promptly give notice of the meeting or, if he or she fails to do so within five business days, any member signing the demand may give such notice. The notice shall contain a specific statement of the purpose or purposes for which the meeting is to be held. No matter not so specified shall be considered at the meeting.



## ARTICLE V

### BOARD OF DIRECTORS

#### Section 1. Composition, Election, and Tenure.

Only volunteers shall be members of the board of directors. The board of directors shall consist of seven (7) members, including the five (5) elected officers of the Planned Parenthood Federation of America, Inc., a designated representative of the Affiliate Presidents Council, and a designated representative of the National Executive Directors Council, notwithstanding that he or she is not a volunteer.

The five elected officers of the Planned Parenthood Federation of America, Inc. shall serve as directors of PPAF during their tenure as officers of the Planned Parenthood Federation of America, Inc. The other PPAF directors shall serve for a term of two (2) years and may serve up to two (2) additional terms. The terms of these directors shall begin at the end of the annual meeting of the PPAF membership, except when vacancies are filled. A director serving an unexpired term of less than six (6) months shall be eligible to serve three (3) additional terms.

#### Section 2. Meetings.

a. Regular Meetings. There shall be two (2) regular meetings each calendar year scheduled by the Chairperson.

b. Special Meetings. Special meetings of the board of directors may be called by the Chairperson or upon the written request of one-third of the directors.

c. Presence at Meetings. With the consent of the Chairperson, any one or more members of the board of directors may participate in a meeting of the board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

d. Action Without a Meeting. Any action required or permitted to be taken by the board may be taken without a meeting if all members of the board consent in writing to the adoption of a resolution authorizing the action.

#### Section 3. Quorum.

A majority of the directors shall constitute a quorum. All actions taken shall require a minimum of four (4) votes.

#### Section 4. Notice of Board Meetings.

a. Regular Meetings. Notice of the time and place of all meetings of the board of directors shall be given by the Secretary, by mail, one (1) month in advance to each director at her/his last known address.

b. Special Meetings. Notice of the time and place of all special meetings of the board of directors shall be given by the Secretary, by mail, two (2) weeks in advance to each director at her/his last known address. The notice shall contain a specific statement of the purpose or purposes for which the meeting is to be held. No matter not so specified will be considered.

#### Section 5. Powers and Duties.

In addition to the powers and duties conferred and imposed by law or elsewhere in these bylaws, the board of directors:

- o shall exercise full power and authority to govern the affairs of PPAF, except as otherwise provided in these bylaws;
- o shall approve a program for the ensuing year;
- o shall ensure the financial viability of PPAF and safeguard its assets; and
- o may recommend to the membership amendments to the bylaws.

## ARTICLE VI

### OFFICERS

#### Section 1. Designated Officers.

PPAF shall have a Chairperson, a First Vice-Chairperson, a Second Vice-Chairperson, a Secretary and Treasurer who shall be the Chairperson, First Vice-Chairperson, Second Vice-Chairperson, Secretary, and Treasurer of the Planned Parenthood Federation of America, Inc., as elected from time to time by that organization.

#### Section 2. Duties of Officers.

a. Chairperson. The Chairperson of PPAF shall:

- o be the chief officer of PPAF and shall have the powers and perform the duties incident to that office;
- o preside at all meetings of the membership and at all meetings of the board of directors; and
- o make an annual report to the membership.

b. First Vice-Chairperson. The First Vice-Chairperson shall:

- o perform all the duties of the Chairperson in the absence or inability to serve of the Chairperson, or in the event of a vacancy in that office; and
- o perform such other functions as shall be assigned by the Chairperson.

c. Second Vice-Chairperson. The Second Vice-Chairperson shall:

- o perform all the duties of the Chairperson in the absence or inability to serve of the Chairperson and the First Vice-Chairperson, or in the event of a vacancy in both offices; and
- o perform such other functions as shall be assigned by the Chairperson.

d. Secretary. The Secretary shall:

- o be responsible for recording the minutes of all meetings of the membership and of the board of directors;



- o cause notice to be given of all meetings of the membership and of the board of directors as herein provided; and
- o cause copies of the minutes of the meetings of the membership and the board of directors to be sent to all members.

e. Treasurer. The Treasurer shall:

- o review the PPAF budget for compliance with the board policies and recommend board approval;
- o review financial statements and other monitoring reports to ensure that board policies are not violated and present written financial reports at meetings of the membership and the board, as requested by the Chairperson;
- o recommend to the PPAF board the certified public accountant to be retained as independent auditor; and
- o accept the annual audit and management letter from PPAF's independent auditor and management's response thereto on behalf of the PPAF board.

Section 3. Staff Officers.

a. President.

The President of the Planned Parenthood Federation of America, Inc. shall be the President of PPAF. The board may create one or more Assistant Secretaryships and one or more Assistant Treasurerships. For each position so created, the President shall select the person to fill such position.

b. Duties.

The President shall be responsible to the board for the development, planning, and implementation of programs and shall report at each meeting of the board of directors on developments within the corporation.

The President shall be responsible for the appointment, tenure, salaries, and performance of all other members of the staff of the corporation.

**ARTICLE VII**  
**AMENDMENT OF BYLAWS**

Amendment of the bylaws may be proposed by the board of directors, or by written request of one-third (1/3) of the members.

The bylaws may be amended at any meeting of the membership by a vote of two-thirds (2/3) of the persons present provided a quorum exists and provided that notice of the proposed amendment with a copy of the proposed amendment has been sent to all members not less than ten (10) nor more than fifty (50) days before the meeting.

## ARTICLE VIII

### AMENDMENT OF CERTIFICATE OF INCORPORATION

The Certificate of Incorporation of the Planned Parenthood Action Fund, Inc., may be amended at any meeting of the membership by a two-thirds (2/3) vote of the members present, providing that a quorum exists and that notice of the proposed revision with a copy of the proposed revision has been sent to all members not less than ten (10) nor more than fifty (50) days before the meeting.



## ARTICLE IX

### PARLIAMENTARY AUTHORITY

Robert's Rules of Order (Newly Revised) shall govern all meetings of the Planned Parenthood Action Fund, Inc. in all cases to which they are applicable and in which they are not inconsistent with these bylaws.

## ARTICLE X

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

The corporation shall indemnify to the full extent permitted by law against damages, judgments, settlements, costs, charges, and expenses incurred in connection with the defense of any action, suit, or proceeding or any appeal therefrom, any person or his or her personal representative, made, or threatened to be made, a party to such action, suit, or proceeding, whether civil or criminal, by reason of the fact that such person is or was a director or officer of the corporation.

## ARTICLE XI

### DISSOLUTION

In the event of dissolution or termination of the existence of the corporation for any cause whatever, all of its assets and property over and above whatever may be required for the payment of its just debts and obligations shall vest in the Planned Parenthood Federation of America, Inc., or any other organization successor thereto.



12. 08. 89 12:44 PM <P. P. F. A. N. Y.

P02

## FAYE WATTLETON

October 18, 1989

Mr. & Mrs. John Q. Sample  
123 Any Street  
Anytown, Anywhere 00000

Dear Mr. & Mrs. Sample,

In a few days a Planned Parenthood representative will be telephoning you to describe an historic decision announced by the Board of Directors of Planned Parenthood at our annual meeting in San Diego.

Because of the importance of this decision and because you have been extraordinarily supportive in this difficult period, I have asked that you be contacted personally.

I only wish I could call you myself, but I know you understand that the crisis situation we face prevents that. So, I am doing the next best thing by writing you.

The post-~~Weber~~ situation we face is as simple as this: Unless we pull out all the stops, unless we counter the anti-choice offensive with the strongest possible defense, we could lose the right to safe, legal abortion or see it seriously eroded.

AND ... if we do, we will not be just losing a right in the abstract, but the women of America will be losing a fundamental right. Women must have access to legal, medically safe abortion. To deny them this access can deny them their very lives.

I personally witnessed what this denial can mean when I worked as a nurse in a Harlem hospital. At that time, abortions were illegal. Women were denied the right, but nevertheless countless women needed abortions.

And they got them. Those who couldn't afford to travel overseas got them by their own hands or at the hands of some back-alley butcher.

I can never forget the victims -- women who were admitted to the Emergency Room bleeding, delirious from raging fevers brought on by infections. Many died. Perhaps the saddest experience was taking care of a 17-year-old girl who died from an attempt to end her pregnancy by using bleach and Lysol. This poisoned her system and the doctor told me she was going to die because her kidneys had shut down, and yet she looked like the picture of health. And she did die

Page Two

shortly after.

Many of the others did not die, but I'm sure they still bear the horrendous mental and often physical scars caused simply by the fact that their right and -- just as importantly -- their ability to obtain a safe, legal abortion was denied them.

It was this experience as a nurse that strengthened my personal commitment to ensure that these situations would come to an end.

Today, as president of Planned Parenthood, I'm doing my utmost to preserve both that right and the access to exercise it. And you have given me wonderfully strong support for which I am truly grateful.

BUT ... the Habater decision and the political climate surrounding it make it painfully apparent that with the dramatically increased threats we now face, our activities are severely restricted.

Let me explain.

Under the federal tax laws which govern how Planned Parenthood can spend its tax-deductible contributions, we are limited in the amount we can spend for legislative activity and grassroots citizen action and we are totally barred from election related activities. Until now we could work within those limitations and effectively achieve our goals.

HOWEVER ... given the climate we now face, both as a result of Habater and because of a massively stepped-up attack on family planning, those once-comfortable limitations now threaten our ability to fulfill the critically important advocacy and citizen action part of our mission.

THEREFORE ... after long deliberation, the Board of Directors of Planned Parenthood approved the immediate formation of an entirely new arm of Planned Parenthood. An action arm through which we can direct the most hard-hitting legislative and citizen action measures aimed at preserving abortion rights and access for all women.

This new arm will be called The Planned Parenthood Action Fund.

It's because of the new Planned Parenthood Action Fund that we will now be able to dramatically increase our legislative and lobbying activity at a time when this type of action is absolutely essential.

And, what's more, with the new Planned Parenthood Action Fund we will have a great deal more freedom when it comes to impressing upon

(next page please)

Page Three

legislators nationwide -- as forcefully as we can -- the fact that denial of reproductive rights or access to them can bring untold suffering to millions of Americans.

There is a trade-off for choosing this option to conduct our advocacy programs in a tougher, harder-hitting manner.

And that is that contributions or gifts to the new Planned Parenthood Action Fund are not tax-deductible.

But it's precisely for this reason that when the Planned Parenthood representative calls you, I urge you -- more strongly than at any other time in the past -- to help us launch this new Action Fund with the most generous support you have ever given.

The new Action Fund will:

... Take off the gloves when it comes to lobbying in Washington regardless of whether the lobbying effort is for defending abortion rights in the House of Representatives, or pressuring the administration to reverse its short-sighted Mexico City policy (which among other things places anti-choice restrictions on international family planning funds) or mounting a full-scale grassroots campaign to secure reauthorization of Title X, the federal family planning program.

... Take off the gloves when it comes to informing voters in every legislative district in the nation which elected officials and which candidates are pro-choice and which are anti-choice.

With Weber now giving the state legislatures vast new powers over women's abortion rights -- and with the Supreme Court about to hear three new cases which may further restrict or even overturn the historic Roe v. Wade decision -- it is essential that we step up our efforts to expose those who oppose a women's right to choose abortion.

... Take off the gloves when it comes to mounting massive grassroots citizen action campaigns to block the confirmation of new, anti-choice Supreme Court nominees ... or battle opposition efforts to criminalize abortion in the states or Congress ... or to launch new, positive legislative initiatives designed to restore rights taken away by the new anti-choice majority on the Supreme Court.

I know you share my sense of excitement about this new development which enables Planned Parenthood to increase its citizen action activity to the level which today's threats now demand.

(over, please)



Page Four

I also hope that when you receive the telephone call on behalf of the new Planned Parenthood Action Fund you will make as generous a commitment as you possibly can to help us raise the "seed money" now required to take it to the next step.

For years, the most strident of our opponents have battled against reproductive rights free of the limitations imposed on Planned Parenthood by the tax laws. We will not match their stridency, but we can fight them with both hands free thanks to our new Action Fund.

And frankly, that new freedom couldn't come at a more critical time, as a result of the Weber case, with the awesome threat it now poses in the states and with the prospect of even greater damage being inflicted by the Supreme Court when it decides the three new abortion-related cases now before it.

In the weeks and months ahead I will be reporting to you on the exciting, hard-hitting steps our new Planned Parenthood Action Fund is taking to meet and reverse these dangerous developments. In the meantime, I hope that when our representative calls to discuss the Action Fund with you that you will pledge your full measure of support.

Again, my deep personal thanks for all you have already done and my promise that -- working together -- we will prevail in defending both the right and access to safe, legal abortion for every woman in America.

Sincerely,



Faye Wattleton  
President  
Planned Parenthood Action Fund, Inc.

PLANNED PARENTHOOD ACTION FUND, INC.  
810 Seventh Avenue  
New York, New York 10019

AGREEMENT

Between

Planned Parenthood Federation of America, Inc.

and

Planned Parenthood Action Fund, Inc.

Whereas Planned Parenthood Federation of America, Inc. (the Federation) is a not-for-profit corporation organized under the laws of New York, with headquarters at 810 Seventh Avenue, New York, New York, and a full-time staff, and

Whereas Planned Parenthood Action Fund, Inc. (the Action Fund) is a not-for-profit corporation organized under the laws of New York with headquarters at 810 Seventh Avenue, New York, New York, the parties agree effective January 1, 1990 that:

1. The Federation will make available to the Action Fund, and the Action Fund will purchase, the services of Federation staff as required by the Action Fund.

2. The Action Fund will pay the Federation for the actual direct and indirect costs incurred by the Federation in performing services for the Action Fund, which shall include salaries, fringe benefits, rent, and utilities.

3. The Action Fund will pay the Federation every two weeks for direct personnel costs incurred. Staff salary and fringe


benefits shall be determined by the Federation staff assignment sheets, which estimate the percentages of Federation staff time which will be spent on services to the Action Fund for the year 1990. At the end of 1990, the Federation will determine actual staff salary and fringe benefits chargeable to the Action Fund through weekly time reports submitted by Federation staff during 1990 which detail the exact time expended by Federation staff in services to the Action Fund. Any costs incurred by the Federation which exceed the total amount previously paid by the Action Fund shall be billed to and promptly paid by the Action Fund.

4. In addition, the Action Fund will pay the Federation for its indirect costs based on the proportion of Federation staff salaries charged to the Action Fund, to total Federation staff salaries.

5. Whenever the Federation has carried costs attributable to the Action Fund for more than one month, the Action Fund shall pay the Federation interest.

Planned Parenthood Federation  
of America, Inc.

By

  
David John Andrews  
Executive Vice President

Planned Parenthood Action Fund, Inc.

By

  
Faye Wattleton, President



Form **8718**

(Rev. January 1989)

Department of the Treasury  
Internal Revenue Service

1 Name of organization

**User Fee for Exempt Organization  
Determination Letter Request**

▶ Attach to determination letter applications.

For IRS Use Only

Control number

Amount paid

User fee screener

Planned Parenthood Action Fund Inc.

2 Type of request (check only one box and include a check or money order made payable to Internal Revenue Service for the amount of the indicated fee):

Fee

- a ☐ Initial request for recognition of tax-exempt status under section 501(a) (except a section 401(a) trust) by an organization whose gross receipts have not exceeded (or are not expected to exceed) \$10,000 annually, averaged over its first four taxable years. If you check this box you must complete the income certification below . . . . . \$ 150

**Certification**

I hereby certify that the gross receipts of Planned Parenthood Action Fund Inc. (enter name of organization) have not exceeded (or are not expected to exceed) \$10,000 annually, averaged over its first four years of operation.

Signature DIR. INT. REV. EP/EO-SPB Title BROOKLYN, N.Y.

- b ☒ All other initial requests for recognition of tax-exempt status under section 501(a) or 521 (except a section 401(a) trust) . . . . . \$ 300
- c ☐ Private foundation which has completed a section 507 termination and which seeks a determination letter that it is now a public charity. . . . . \$ 200

**Instructions**

The Revenue Act of 1987 requires payment of a user fee for determination letter requests submitted to the Internal Revenue Service. The fee must accompany each request submitted to a key district office.

The fee for each type of request for an exempt organization determination letter is listed in item 2 of this form. Check the block that describes the type of request you are submitting, and attach this form to the front of your request form along with a check or money order for the amount indicated. Make the check or money order payable to the Internal Revenue Service.

Determination letter requests received with no payment or with an insufficient payment will be returned to the applicant for submission of the proper fee. To avoid delays in receiving a determination letter,

be sure that your application is sent to the applicable address shown below. These addresses supersede the addresses listed in Publication 557 and all application forms.

If entity is in this IRS District

Send fee and request for determination letter to this address

Brooklyn, Albany, Augusta, Boston, Buffalo, Burlington, Hartford, Manhattan, Portsmouth, Providence

Internal Revenue Service EP/EO Division P. O. Box 1680, GPO Brooklyn, NY 11202

Baltimore, District of Columbia, Pittsburgh, Richmond, Newark, Philadelphia, Wilmington, any U.S. possession or foreign country

Internal Revenue Service EP/EO Division P. O. Box 17010 Baltimore, MD 21203

Cincinnati, Cleveland, Detroit, Indianapolis, Louisville, Parkersburg

Internal Revenue Service EP/EO Division P. O. Box 3159 Cincinnati, OH 45201

Dallas, Albuquerque, Austin, Cheyenne, Denver, Houston, Oklahoma City, Phoenix, Salt Lake City, Wichita

Internal Revenue Service EP/EO Division Mail Code 4950 DAL 1100 Commerce Street Dallas, TX 75242

Atlanta, Birmingham, Columbia, Ft. Lauderdale, Greensboro, Jackson, Jacksonville, Little Rock, Nashville, New Orleans

Internal Revenue Service EP/EO Division C-1130 Atlanta, GA 30301

Anchorage, Las Vegas, Boise, Los Angeles, Honolulu, Portland, Laguna Niguel, San Jose, Seattle

Internal Revenue Service EO Application Receiving Room 5127, P. O. Box 486 Los Angeles, CA 90053-0486

Sacramento, San Francisco

Internal Revenue Service EO Application Receiving Stop SF 4446 P. O. Box 35001 San Francisco, CA 94102

Chicago, Aberdeen, Des Moines, Fargo, Helena, Milwaukee, Omaha, St. Louis, St. Paul, Springfield

Internal Revenue Service EP/EO Division 230 S. Dearborn DPN 20-5 Chicago, IL 60604

Attach Check or Money Order Here

MORTIMER M. CAPLIN\*  
ROBERT A. SLAYMAN  
RALPH A. MUGIO\*  
ELING INGERLICH\*  
PETER VAN N. JOCKEY\*  
WALTER R. BLOOMBERG  
RICHARD W. BRILLMAN\*  
PATRICIA G. LEWIS\*  
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ROBERT M. ELLIOTT, JR.\*  
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(212) 319-7125

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WRITER'S DIRECT DIAL NUMBER

202/862-5075

December 21, 1989

\* ADMITTED IN D.C. & N.Y.  
† ADMITTED IN N.Y. ONLY  
\* NOT ADMITTED IN D.C. OR N.Y.

By Certified Mail

Internal Revenue Service  
EP/EO Division  
P.O. Box 1680 GPO  
Brooklyn, NY 11202

Re: Planned Parenthood Action Fund, Inc.

Dear Sir or Madam:

The enclosed application for exemption from federal income tax under section 501(c)(4) is being filed on behalf of the Planned Parenthood Action Fund, Inc. ("Fund").

The Fund seeks recognition of its tax exempt status from the date of its incorporation, August 25, 1989.

The following documents are enclosed in connection with the application:

1. IRS Form 8718.
2. A check in the amount of \$300.00 in compliance with the user fee instructions contained in IRS Rev. Proc. 89-4.
3. IRS Form 1024.

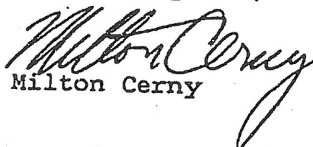
CAPLIN & DRYSDALE  
CHARTERED

- 2 -

4. A power of attorney on IRS Form 2848 authorizing members of this firm to represent the Fund in regard to this application.

Please call the undersigned at (202) 862-5075 if you have any questions about this application or if you need additional information.

Sincerely yours,

  
Milton Cerny

Enclosures

cc: Eve Paul